



GVNW CONSULTING, INC.

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KERRVILLE, TX 78028
TEL 830.896.5200
FAX 830.896.5202
www.gvnw.com

June 29, 2017

REDACTED – FOR PUBLIC INSPECTION

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Re: Confidential Financial Information Subject to Protective Order Before the Federal Communications Commission, and requesting Confidential treatment for financial information pursuant to §§ 0.457 and 0.459 of the Commission's rules. Form 481 – Carrier Annual Reporting Data Collection, 2017.
WC 14-58.

Dear Ms. Dortch:

On behalf of Southwest Texas Telephone Company ("Southwest Texas"), GVNW Consulting, Inc. hereby submits the attached redacted and confidential versions of its "FCC Form 481 – Carrier Annual Reporting Data Collection" information pursuant to §§ 54.313 and 54.422 of the Commission's rules, as filed with the Universal Service Administrative Company. A copy is also being submitted to the Public Utilities Commission of Texas.

Southwest Texas requests confidential treatment under the Protective Order adopted in this proceeding for the § 54.313(f)(2) financial information included in this report on the grounds that it is competitively sensitive information that is secure from public access and this information should not be released publicly for inspection as it could be used to disadvantage or harm Southwest Texas. In addition, Southwest Texas is requesting confidential treatment pursuant to §§ 0.457 and 0.459 of the Commission's rules for the Five-Year Build-Out Plan Progress Report and Map that is required by § 54.313(a)(1) to be attached to this report.

In accordance with the Protective Order, one redacted copy marked "REDACTED – FOR PUBLIC INSPECTION" and one non-redacted confidential version marked "CONFIDENTIAL FINANCIAL INFORMATION – SUBJECT TO A PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION" are being filed with the Commission. The redacted copy will be filed *via* the Electronic Comment Filing System.

If you have any questions, please contact me at sgatto@gvnw.com or 830-895-7226.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephen Gatto", is written over a horizontal line.

Stephen Gatto

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442135
<015>	Study Area Name	SOUTHWEST TEXAS TEL
<020>	Program Year	2018
<030>	Contact Name: Person USAC should contact with questions about this data	Gary Gilmer
<035>	Contact Telephone Number: Number of the person identified in data line <030>	8306832111 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	gary@swtexas.com
Form Type		54.313 and 54.422

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<210> For the prior calendar year, were there any reportable voice service outages? No

Page 2

(300) Unfulfilled Service Request Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442135
<015>	Study Area Name	SOUTHWEST TEXAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Gary Gilmer
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<039>	Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com

<300> Unfulfilled service request (voice)

0

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

0

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442135
<015>	Study Area Name	SOUTHWEST TEXAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Gary Gilmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	8306832111 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed voice	
<410>	Complaints per 1000 customers for fixed voice	0 . 0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed broadband	
<440>	Complaints per 1000 customers for fixed broadband	0 . 0
<450>	Complaints per 1000 customers for mobile broadband	

(500) Compliance With Service Quality Standards and Consumer Protection Rules		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	442135
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<030>	Contact Name - Person USAC should contact regarding this data	Gary Gilmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	8306832111 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
442135tx510.pdf		
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	
<515>	Certify compliance with applicable minimum service standards	

(600) Functionality in Emergency Situations Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442135
<015>	Study Area Name	SOUTHWEST TEXAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Gary Gilmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	8306832111 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	442135tx610 .pdf

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

[illegible]

FCC Form 481
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[illegible]

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<035>	Contact Telephone Number - Number of person identified in data line <030>	8306832111 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com
<810>	Reporting Carrier	Southwest Texas Telephone Company
<811>	Holding Company	Southwest Texas Telcom, Inc.
<812>	Operating Company	Southwest Texas Telephone Company

[illegible]

(900) Tribal Lands Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	442135
<015> Study Area Name	SOUTHWEST TEXAS TEL
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<030> Contact Name - Person USAC should contact regarding this data	Gary Gilmer
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<039> Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com

<900> Does the filing entity offer tribal land services? (Y/N) No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

**(1000) Voice and Broadband Service Rate Comparability
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 442135tx1010.pdf

Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance 442135tx1030.pdf

Name of Attached Document

(1100) No Terrestrial Backhaul Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<030>	Contact Name - Person USAC should contact regarding this data	Gary Gilmer
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<039>	Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<039>	Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- | | |
|--|-------------------------------------|
| <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
| <1222> Details on the number of minutes provided as part of the plan, | <input checked="" type="checkbox"/> |
| <1223> Additional charges for toll calls, and rates for each such plan. | <input checked="" type="checkbox"/> |

(2005) Price Cap Carrier Additional Documentation Data Collection Form <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442135
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<039>	Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2011> 3rd Year Certification 47 CFR §54.313(b)(1)(ii) - Note that for the July 2017 certification, this applies to Round 2 recipients of Incremental Support.	<input style="width: 100px; height: 20px;" type="text"/>	
<2022> Recipient certifies, representing year three after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.	<input style="width: 100px; height: 20px;" type="text"/>	
<2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year three - 54.313(b)(2)(ii). Round 2 recipients only.	<input style="width: 100px; height: 20px;" type="text"/>	
<2024A> Round 2 Recipient of Incremental Support?	<input style="width: 100px; height: 20px;" type="text"/>	<input style="width: 100%; height: 60px;" type="text"/>
<2024B> Attach list of census blocks indicating where funding was spent in year three - 54.313(b)(2)(ii). Round 2 recipients only.	Name of Attached Document Listing Required Information	<input style="width: 100%; height: 60px;" type="text"/>
<2025A> Round 2 Recipient of Incremental Support?	<input style="width: 100px; height: 20px;" type="text"/>	
<2025B> Attach geocoded Information for Phase I milestone reports (Round 2 for year three) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-73, paragraph 35 (May 22, 2013).	Name of Attached Document Listing Required Information	<input style="width: 100%; height: 60px;" type="text"/>
<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)	<input style="width: 100px; height: 20px;" type="text"/>	

(2005) Price Cap Carrier Additional Documentation

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2016.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)

Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)

(3005) Rate Of Return Carrier Additional Documentation Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442135
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<030>	Contact Name - Person USAC should contact regarding this data	Gary Gilmer
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<039>	Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com

Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)			
			Yes - Attach Certification	
(3010A)	Certification of Public Interest Obligations {47 CFR § 54.313(f)(1)(i)}			442135tx3010b.pdf
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information		
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	No - No New Community Anchors		
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information		
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>	
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>	
	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:			
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input checked="" type="checkbox"/>	
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>	442135tx3017.pdf
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information		
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No)	<input type="radio"/> <input type="radio"/>	
	If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3019)	Either a copy of their audited financial statement; or		<input type="checkbox"/>	
(3020)	(2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>	
(3021)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>	
(3022)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.			
	If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>	
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>	
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>	
(3025)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>	
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information		

(3005) Rate Of Return Carrier Additional Documentation (Continued)		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com

Financial Data Summary

(3027) Revenue

(3028) Operating Expenses

(3029) Net Income

(3030) Telephone Plant In Service(TPIS)

(3031) Total Assets

(3032) Total Debt

(3033) Total Equity

(3034) Dividends

(4005) Rural Broadband Experiment Additional Documentation Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission’s public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.	Name of Attached Document Listing Required Information	
--	--	--

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.	Name of Attached Document Listing Required Information	
---	--	--

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.	Name of Attached Document Listing Required Information	
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Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer: ext.	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>GVNW Consulting, Inc.</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	GVNW Consulting, Inc.
Name of Reporting Carrier:	SOUTHWEST TEXAS TEL
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/14/2017
Printed name of Authorized Officer:	Gary Gilmer
Title or position of Authorized Officer:	President
Telephone number of Authorized Officer:	8306832111 ext.
Study Area Code of Reporting Carrier:	442135 Filing Due Date for this form: 07/03/2017
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	SOUTHWEST TEXAS TEL
Name of Authorized Agent Firm:	GVNW Consulting, Inc.
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/14/2017
Name of Authorized Agent Employee:	Stephen Gatto
Title or position of Authorized Agent or Employee of Agent	Consultant
Telephone number of Authorized Agent or Employee of Agent:	8308957226 ext.
Study Area Code of Reporting Carrier:	442135 Filing Due Date for this form: 07/03/2017
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

[illegible]

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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[illegible]

(800) Operating Companies

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<015>	Study Area Name	SOUTHWEST TEXAS TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Gary Gilmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	8306832111 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	gary@swtexas.com
<810>	Reporting Carrier	Southwest Texas Telephone Company
<811>	Holding Company	Southwest Texas Telcom, Inc.
<812>	Operating Company	Southwest Texas Telephone Company

[illegible]

Attachment File: 442135tx510.pdf

SOUTHWEST TEXAS TELEPHONE COMPANY – SAC 442135

FCC Form – Program Year 2018

Line 510

**COMPLIANCE WITH SERVICE QUALITY STANDARDS AND CONSUMER
PROTECTION RULES – § 54.313(a)(5)**

Southwest Texas Telephone Company (“Southwest Texas” or “the Company”) complies with all applicable service quality standards and consumer protection rules as required by the Public Utility Commission of Texas (“PUC”) and the Federal Communications Commission (“FCC”).

The rates, terms and conditions under which the Company operates are identified in its Local Exchange Tariff, which is approved by the PUC. The Company’s tariff contains provisions regarding its customer service and protection practices, including resolving customer disputes, applying for, refusing, disconnection, and cancellation of service. Rates and terms of service are disclosed to customers upon application for service as part of a packet of information for new customers.

Service quality standards are established by the PUC and Southwest Texas consistently meets or exceeds those requirements. The Company provides an annual report to the Texas PUC pursuant to the commission’s rules.

The protection of its customers’ privacy and information is a constant part of Southwest Texas’ quality of service. The Company has a policy and operating procedures that comply with the FCC’s Customer Proprietary Network Information (“CPNI”) rules (47 C.F.R §§ 64.2001 – 64.2011). Certification of Southwest Texas’ compliance with the FCC’s CPNI rules is filed with the FCC annually.

Attachment File: 442135tx610.pdf

SOUTHWEST TEXAS TELEPHONE COMPANY – SAC 442135

FCC Form 481 – Program Year 2018

Line 610

ABILITY TO FUNCTION IN EMERGENCY SITUATIONS – § 54.313(a)(6)

Southwest Texas Telephone Company (“Southwest Texas” or “the Company”) is capable of functioning in emergency situations. Southwest Texas has a reasonable amount of back-up power to ensure functionality without a commercial external power source. The Company has permanently installed standby power generators at its exchange switching offices and remote switching locations have a minimum of eight (8) hours of backup battery capacity. These remote sites are also equipped to accept portable emergency power if necessary. The Company’s network is capable of managing traffic spikes resulting from emergency conditions.

Attachment File: 442135tx1010.pdf

SOUTHWEST TEXAS TELEPHONE COMPANY – SAC 442135

FCC Form – Program Year 2018

Line 1010

DESCRIPTION OF VOICE SERVICES RATE COMPARABILITY – § 54.313(a)(10)

Southwest Texas Telephone Company (“Southwest Texas” or “the Company”) Voice Services Pricing is no more than two standard deviations above the applicable urban rate floor for voice services. On February 14, 2017, the Wireline Competition Bureau (“Bureau”) established a new average urban floor rate of \$22.49 and a maximum of \$49.51 as the Rate Comparability Benchmark. The FCC’s previously announced phase-in of the floor rate was frozen at \$18.00 by the FCC (May 17, 2017). As shown by Southwest Texas’ response to Line 700 (Attachment File: 442135tx700.pdf), Southwest Texas’ total residential voice service rate plus mandatory state fees is \$18.59. When all state and federal mandatory charges are added to Southwest Texas’ residential voice service rate the total rate is below the \$49.51 Rate Comparability Benchmark set by the Bureau.

Attachment File: 442135tx1030.pdf

SOUTHWEST TEXAS TELEPHONE COMPANY – SAC 442135

FCC Form – Program Year 2018

Line 1030

DESCRIPTION OF BROADBAND SERVICES RATE COMPARABILITY -
§54.313(a)(12)

Southwest Texas Telephone Company's ("Southwest Texas" or "the Company") Broadband Services Pricing meets the FCC's broadband public interest obligations because it offers broadband service at actual speeds of at least 10 Mbps downstream/1 Mbps upstream at no more than the applicable benchmark for broadband services announced by the Bureau on February 14, 2017 (DA 17-167).

As shown by Southwest Texas's response to Line 710 on its Form 481 filing, Southwest Texas offers broadband service at actual speeds of 10 Mbps downstream/1 Mbps upstream with no usage allowances for \$69.95. Since the Bureau's Benchmark Table for 2017 included in DA 17-167 indicates that broadband service of 10 Mbps downstream/1 Mbps upstream with no usage allowances should be offered at no more than \$77.98, Southwest Texas's 10 Mbps downstream/1 Mbps upstream broadband service offering at \$69.95 meets the Bureau's requirement for broadband reasonable comparability service rates.

LOCAL RATE SCHEDULE

V. LIFELINE SERVICE

A. General

1. Lifeline Service is a retail local service offering sponsored by the FCC and available to qualifying low-income consumers.
2. Consumers qualifying for Lifeline Service are offered the services or functionalities enumerated in 47 Code of Federal Regulations §54.101(a)(1)-(8) (relating to Supported Services for Rural, Insular and High Cost Areas).
3. The Company shall offer toll restriction at no charge to all qualifying low-income consumers at the time such consumers subscribe to Lifeline Service. If the consumer elects to receive toll restriction, that service shall become part of the consumer's Lifeline Service.
4. A customer otherwise eligible to receive the Lifeline Service shall not be prohibited from obtaining and using telecommunication equipment and services designed to aid such customer in utilizing qualifying telecommunication services.
5. Lifeline Service rate reductions do not apply to long distance service, 976 and other information provider services, or any other optional services or functionalities (i.e., custom calling features, construction, etc.) which may or may not be tariffed. Customers may obtain such services including bundled service, where available, at their discretion, although the Lifeline Service reduction only applies to basic service charges in the bundled service.
6. The Company will waive number portability charges, subject to the tariff, for the Lifeline customer.

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Issued: 5/11/2012
Effective: 6/1/2012
By: Gary Gilmer

LOCAL RATE SCHEDULE

V. LIFELINE SERVICE (Continued)

A. General (Continued)

6. The Lifeline Service rate reductions do not apply to service connection charges, except that customers eligible for the Link Up America program will receive a reduction in applicable service connection charges, as set forth in Section of this tariff.
7. Lifeline Service will not be available on a retroactive basis except at the direction of the Low Income Discount Administrator (LIDA) or the Commission.
8. A consumer eligible for Lifeline Service is automatically eligible for Link Up Service. However, a consumer may qualify for and receive Lifeline Service independently of Link Up Service.

B. Eligibility Requirements

1. The discounted service will be provided for one (1) residential telephone line per household, at the subscriber's principal place of residence.
2. The applicant must have only one local exchange access line to the residential premises or dwelling place.
3. The applicant must certify that their annual household income is at or below 150% of the federal poverty guidelines, is an eligible resident of Tribal lands, or participates in, or has a person or child who resides in the customer household who participates in one of the following programs:
 - Medicaid
 - Food Stamps
 - Low-income Home Energy Assistance Programs (HEAP)
 - Supplemental Security Income (SSI)
 - Federal public housing assistance
 - State Child Health Plan

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LOCAL RATE SCHEDULE

V. LIFELINE SERVICE (Continued)

B. Eligibility Requirements (Continued)

4. The discontinuance of the Tel-Assistance program effective September 1, 2001 allows the Company to move Tel-Assistance customers to Lifeline Service. The Company has no exchanges where a customer's local service rate under Tel-Assistance is a greater benefit, therefore, customers will be grandfathered at Lifeline rates. Rates will apply until the customer's service is discontinued or the customer is determined ineligible under this Section.

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5. Procedures for Establishing Eligibility

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(a) Consumers within the Company's service area identified as eligible for Lifeline Service by the Low-Income Discount Administrator (LIDA) through the automatic enrollment process under Commission Substantive Rule 26.412, shall be provided Lifeline Service discounts unless the Company receives a customer request to be excluded from such discounts. Consumers who are eligible for Lifeline Service but do not have telephone service at the time the LIDA provides its eligibility list to the Company are responsible for contacting the Company and initiating a request for Link-Up Service from the Company.

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Issued: 5/11/2012
Effective: 6/1/2012
By: Gary Gilmer

LOCAL RATE SCHEDULE

IV. LIFELINE SERVICE (Continued)

B. Eligibility Requirements (Continued)

5. Procedures for Establishing Lifeline Discounts
(Continued)

(b) LIDA shall provide the Company with a monthly list of consumers eligible for Lifeline Service.

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(c) The Company shall provide Lifeline Service to all eligible consumers identified by LIDA within its service area if the consumer is a customer of the Company. Within 30 days after receipt of the list, the Company shall begin reduced billing for those eligible low-income consumers.

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(d) If the eligible consumer changes the telephone service to qualifying services or initiates new qualifying service, the Company shall begin reduced billing at the time the change of service becomes effective or at the time the new service is established. No service charges apply to convert a consumer's account to Lifeline Service.

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(e) The Company will discontinue Lifeline Service discounts upon notice by LIDA that a customer is no longer eligible for Lifeline.

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(f) The Company has provided a confidentiality agreement to LIDA specifying the use of confidential client information is solely for providing Lifeline Service.

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Issued: 5/11/2012
Effective: 6/1/2012
By: Gary Gilmer

LOCAL RATE SCHEDULE

IV. LIFELINE SERVICE (Continued)

C. Deposits

2. The deposit requirements will be waived for Lifeline Service applicants who voluntarily elect to subscribe to Toll Restriction Service.

D. Lifeline Service Discounts

1. Eligible consumers who subscribe to Lifeline Service will receive the following discounts:

- (a) Federal Lifeline support amount. The Company shall grant qualifying low-income consumers support of \$9.25 per month or equal to the support amount as directed by the Federal Communications Commission in Chapter 47 of the Code of Federal Regulations regarding Lifeline support.

- (b) DELETED

- (c) State reduction. The Company shall grant qualifying low-income consumers the state-approved reduction of up to \$3.50 in the monthly amount of intrastate charges due.

- (d) Area Discount. The Company shall give qualifying low-income consumers an area discount composed of up to 25% of any actual rate increase by the Company. The discount shall be consistent with the P.U.C.'s Universal Service Plan. The area discount will apply to Lifeline providers operating in the Company's service area. The area discount amount is \$1.00.

(I)

- (e) Combined Lifeline Discounts. The combined discounts shall not result in a rate less than zero charged for basic local service.

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Issued: 05/01/2016
Effective: 06/01/2016
By: Gary C. Gilmer, President

LOCAL RATE SCHEDULE

V. LIFELINE SERVICE (Continued) T

E. Service Charges

1. Service charges do not apply when eligible customers with existing residential service convert to Lifeline Service.
2. Service charges apply when:
 - (a) At the time Lifeline Service billing is initiated, where existing eligible residential local exchange access service customers request additional features, such as special or custom calling features.
 - (b) A customer receiving Lifeline Service voluntarily elects to convert to telephone service arrangements, which preclude Lifeline Service eligibility.
 - (c) New residential applicants (those without existing local exchange access service) eligible for the Lifeline Program will be subject to applicable service charges, except those new customers who qualify for the Link Up America program as specified in Section 5 of this tariff.
3. Any subsequent moves or changes after the initial connection to Lifeline Service will be subject to applicable service charges.

F. Payments and Disconnection of Service

1. The Company may not disconnect Lifeline Service for nonpayment of toll charges.
2. A Lifeline customer is required to adhere to the same bill payment policies applicable to all of the Company's customers.

FOR COMMISSION USE ONLY

Issued: 5/11/2012
Effective: 6/1/2012
By: Gary Gilmer



SOUTHWEST TEXAS TELEPHONE COMPANY
Founded 1898

**SOUTHWEST TEXAS
 TELEPHONE COMPANY**

P.O. BOX 128
 ROCKSPRINGS, TEXAS 78880
Telephone (830) 683-2111 FAX (830) 683-4190

June 8, 2017

Marlene H. Dortch, Secretary
 Federal Communications Commission
 9300 East Hampton Drive
 Capitol Heights, MD 20743

re: WC Docket No. 14-58, Annual Report, Form 481 for High-Cost Recipient
 54.313(f)(1) "Milestone Certification"


Dear Ms. Dortch:

In compliance with the Commission's rules pursuant to § 54.313(f)(1) relating to the filing of Form 481, Southwest Texas Telephone Company, SAC – 442135, wishes to certify to the Commission that the Company:

Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, at rates that are reasonably comparable to rates for comparable offerings in urban areas, and that reasonable requests for such service are met within a reasonable amount of time.

If you have any questions, I may be contacted at 830-683-2111.

Sincerely,


 Gary C. Gilmer
 President

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p><i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i></p> <p>BORROWER NAME</p> <p style="text-align: center;">Southwest Texas Telephone Company</p> <p style="text-align: center;">(Prepared with Audited Data)</p>	
<p><i>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i></p>	<p>PERIOD ENDING</p> <p>December, 2016</p>	<p>BORROWER DESIGNATION</p> <p>TX0558</p>
<p>CERTIFICATION</p> <p><i>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</i></p> <p>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</p> <p>DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII (Check one of the following)</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.</p> </div> <div style="width: 45%;"> <p><input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report</p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 30%;"> <p>_____ Gary Gilmer</p> </div> <div style="width: 30%;"> <p>_____ 5/31/2017</p> </div> <div style="width: 30%; text-align: center;"> <p>DATE</p> </div> </div>		

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = % of Total Assets

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION TX0558	
INSTRUCTIONS- See RUS Bulletin 1744-2		PERIOD ENDING December, 2016	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues			
2. Network Access Services Revenues			
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues			
5. Miscellaneous Revenues			
6. Uncollectible Revenues			
7. Net Operating Revenues (1 thru 5 less 6)			
8. Plant Specific Operations Expense			
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)			
10. Depreciation Expense			
11. Amortization Expense			
12. Customer Operations Expense			
13. Corporate Operations Expense			
14. Total Operating Expenses (8 thru 13)			
15. Operating Income or Margins (7 less 14)			
16. Other Operating Income and Expenses			
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes			
20. Total Operating Taxes (17+18+19)			
21. Net Operating Income or Margins (15+16-20)			
22. Interest on Funded Debt			
23. Interest Expense - Capital Leases			
24. Other Interest Expense			
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)			
27. Nonoperating Net Income			
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income			
31. Total Net Income or Margins (21+27+28+29+30-26)			
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year			
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]			
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)			
44. Annual Debt Service Payments			
45. Cash Ratio [(14+20-10-11) / 7]			
46. Operating Accrual Ratio [(14+20+26) / 7]			
47. TIER [(31+26) / 26]			
48. DSCR [(31+26+10+11) / 44]			

<p align="center">USDA-RUS</p> <p align="center">OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p> <p align="center"><i>INSTRUCTIONS - See RUS Bulletin 1744-2</i></p>						<p>BORROWER DESIGNATION TX0558</p> <p>PERIOD ENDED December, 2016</p>	
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION							
	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
Barksdale							
Camp Wood							
D'Hanis							
Rocksprings							
Utopia							
Vinegarroon							
MobileWireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges							

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p> <p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>							<p>BORROWER DESIGNATION TX0558</p> <p>PERIOD ENDED December, 2016</p>	
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION								
4. BROADBAND SERVICE								
Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Barksdale								
Camp Wood								
D'Hanis								
Rocksprings								
Utopia								
Vinegarroon								
Total								

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS			BORROWER DESIGNATION TX0558 PERIOD ENDING December, 2016		
INSTRUCTIONS- See RUS Bulletin 1744-2					
PART D. SYSTEM DATA					
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile	
PART E. TOLL DATA					
1. Study Area ID Code(s) a. 442135 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one) Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis			
PART F. FUNDS INVESTED IN PLANT DURING YEAR					
1. RUS, RTB, & FFB Loan Funds Expended					
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)					
6. Salvaged Materials					
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom. Plant (1 thru 7)					
PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION TX0558
	PERIOD ENDING December, 2016

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

☒

YES

☐

NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	
5. Land and support assets - Buildings	
6. Land and support assets - Furniture and Office equipment	
7. Land and support assets - General purpose computers	
8. Central Office Switching - Digital	
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION TX0558
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December , 2016
PART I – STATEMENT OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		
4. Add: Amortization		
5. Other (Explain)		
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		
7. Decrease/(Increase) in Materials and Inventory		
8. Decrease/(Increase) in Prepayments and Deferred Charges		
9. Decrease/(Increase) in Other Current Assets		
10. Increase/(Decrease) in Accounts Payable		
11. Increase/(Decrease) in Advance Billings & Payments		
12. Increase/(Decrease) in Other Current Liabilities		
13. Net Cash Provided/(Used) by Operations		
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		
15. Increase/(Decrease) in Notes Payable		
16. Increase/(Decrease) in Customer Deposits		
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		
20. Less: Payment of Dividends		
21. Less: Patronage Capital Credits Retired		
22. Other (Explain) Distributions to Shareholders		
23. Net Cash Provided/(Used) by Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		
25. Other Long-Term Investments		
26. Other Noncurrent Assets & Jurisdictional Differences		
27. Other (Explain) Plant Removal Cost, Salvage, Retirement of Plant		
28. Net Cash Provided/(Used) by Investing Activities		
29. Net Increase/(Decrease) in Cash		
30. Ending Cash		

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>TX0558</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2016</p>
<p>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>TX0558</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2016</p>
<p>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	